

VZCZCXRO1612
PP RUEHCN RUEHGH RUEHVC
DE RUEHHK #3969 2790249
ZNR UUUUU ZZH
P 060249Z OCT 06
FM AMCONSUL HONG KONG
TO RUEHC/SECSTATE WASHDC PRIORITY 8911
INFO RUEHOO/CHINA POSTS COLLECTIVE
RUCPDOC/USDOC WASHDC

UNCLAS HONG KONG 003969

SIPDIS

SENSITIVE
SIPDIS

STATE FOR EAP/CM AND EAP/EB/TPP/MTA EKOCH
STATE PASS USTR
USTR FOR HIRSH
USDOC FOR 4110

E.O. 12958: N/A

TAGS: ECON ETRD HK CH
SUBJECT: TRADE AGREEMENT COMPLIANCE AND MONITORING IN HONG
KONG & MACAU

REF: STATE 152063

(U) THIS DOCUMENT IS SENSITIVE BUT UNCLASSIFIED. PLEASE
PROTECT ACCORDINGLY. NOT FOR RELEASE OUTSIDE U.S. GOVERNMENT
CHANNELS. NOT FOR INTERNET PUBLICATION.

¶11. (SBU) This is a response to reftel inquiries on Post's
efforts to monitor Hong Kong's compliance with trade
agreement compliance.

A) Description of how Posts are currently organized for
monitoring agreements and responding to foreign trade barrier
complaints, including the establishment of teams at Post:

Consulate General Hong Kong holds a weekly Economic Cluster
meeting specifically focusing on current trade and economic
issues. The Consul General, the Deputy Principal Officer,
and the heads of the Economic/Political (E/P) Section, the
Foreign Commercial Service (FCS), the Foreign Agricultural
Service (FAS), and the Public Affairs Section (PAS) all
actively exchange information and formulate strategies on
trade issues at this meeting. The Consul General utilizes
the Economic Cluster meeting to monitor and direct Consulate
responses to trade barrier issues in a timely and thorough
fashion.

B) Name of a contact person at Post to coordinate Post's
periodic compliance reporting, field general compliance
inquiries, and ensure complaints are reported promptly to
relevant Washington agencies:

E/P Section Economic Unit Chief Craig Reilly is the main
contact person on all trade issues for Consulate General Hong
Kong.

C) Description of complaint response activities at Post,
including examples of recent compliance successes and ongoing
compliance issues:

The Hong Kong Government's (HKG) continuing market-oriented
approach to commerce has created one of the freest trading
economies in the world. Hong Kong is an active member of the
World Trade Organization (WTO) and the Asia Pacific Economic
Cooperation (APEC) forum, where it is a strong proponent of
reducing trade barriers. Although Hong Kong does not have a
free trade agreement with the U.S., Hong Kong is a duty-free
port and has few barriers to trade in goods and services.

The HKG's ban on imports of U.S. beef remains an area of
contention. In December 2003 following the announcement of a
case of Bovine Spongiform Encephalopathy (BSE) in the U.S.,

HKG banned imports of U.S. beef. In the ensuing two years, Post worked closely with U.S. industry representatives to identify and intensely lobby key HKG officials to re-open Hong Kong's market to U.S. beef. These efforts bore fruit in December 2005 when the HKG agreed to allow U.S. boneless beef from cattle under 30 months of age. However, the HKG still restricts U.S. bone-in beef. Post, USDA, and beef industry representatives have all been heavily involved in lobbying for Hong Kong to allow bone-in beef products, as is consistent with OIE guidelines.

D) Description of proactive monitoring efforts at Post:

All trade-involved agencies at Post regularly participate in American Chamber of Commerce meetings and frequently meet with various industry contacts to discuss trade compliance issues ranging from beef imports to intellectual property rights (IPR) enforcement. Post also maintains regular contacts with HKG officials to discuss trade issues and to monitor the regulatory environment involving trade issues. One example of this is Post's active monitoring of Hong Kong's proposed changes to its Copyright Ordinance, the development of which has the potential to strongly impact the IPR protective regime in Hong Kong.

Sakaue